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SUBJECT: MEDIA REACTION ON CAFTA, OCTOBER 26, 2005

¶1. On 10/21 the Tegucigalpa-based liberal daily "La Tribuna" published an editorial entitled "Thunder and lightning." "The subjects that will cause disagreements in the Summit of Americas, which will take place in the first week of November of this year, are the agricultural subsidies and the Free Trade Area of the Americas (FTAA). The nations of MERCOSUR demand the end of agricultural subsidies by the industrial powers and other developed nations."

"The demand goes fundamentally against the U.S., the European Union and Japan which maintain agricultural prices through subsidies in which the poorest and less developed countries are highly competitive."

"Opposed to the Mar del Plata Summit, the 'Summit of the People' was created to reunite a hundred social and political organizations of Latin America with the purpose of presenting an alternative to the FTAA. This meeting is offered as a parallel engagement to the Presidential summit with the purpose of dividing the attention and coverage that the international press will give to the events."

"Venezuela announced that it would try to make "adjustments" with Andean countries that sign an FTA with the U.S. The greatest promoter of an FTA membership is Colombia, hoping that Ecuador and Peru join. The Colombian president, a main ally of Washington, says that he will sign a FTA, 'thus there is thunder and lightning.'"

"Hugo Chvez thinks that the FTA is a 'version' of the FTAA, suggesting that it would only benefit the great North American economy; in contrast he proposes the Bolivarian Alternative for Latin America and the Caribbean (ALBA). While Chvez is strongly lobbying against the FTAA and is counting on the dollars received from petroleum to exercise his influence, Uribe has just met with his counterpart in Ecuador in order to resolve any differences and to avoid any delay of the established calendar."

"President George Bush, who has CAFTA in his pocket, will be present in the Summit of the Americas in Argentina. This summit is especially important for President Bush since it is offered as a forum in which he can bring up issues that have been forgotten or delayed in his dealings with the Latin American nations. By the nature of the rivalries that glimpse the summit, it promises to be interesting and controversial."

¶2. On 10/26 the San Pedro Sula-based liberal daily "Tiempo" ran an editorial entitled "CAFTA and SMEs." "In a recent seminar on CAFTA and its effects on small and medium enterprises (SMEs) that took place in San Pedro Sula, it was emphasized that these enterprises should be incorporated with no fear to the free trade regime."

"Manuel Rosales, Associate Director of the U.S. Small Business Agency, who accompanied the U.S. Secretary of Commerce on his tour of Central America, insisted on the success of the SME in free trade, with Mexico as a great example."

"In Honduras the SMEs' situation has improved, but more slowly than the rest of the Central American countries; this has to do with the weakness of the government's economic policies, or better yet, by the lack of an economic policy."

"The external support isn't enough to boost and improve the SME in Honduras. It is necessary and urgent to make reforms in the monetary, fiscal, financial and labor systems, not only for SME benefits but also for all production and Honduran enterprises."

Williard